

The following are the provisions of Mortgagee Letter 2015-08 that will be incorporated into the 4000.1 FHA Single Family Housing Policy Handbook, issued March 18, 2015, as shown at http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/handbook_4000-1.

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

1. Origination/Processing (to be inserted at current page 86)

The Mortgagee may use an update of appraisal only if:

- it is performed by a qualified appraiser on the Roster;
- the appraiser is not the same appraiser who performed the original appraisal;
- the appraisal is observed by the Mortgagee or the appraiser's supervisor;
- the appraisal is signed by the appraiser and the appraiser's supervisor;
- the appraisal is dated on or before June 26, 2016;
- the original appraisal report was not previously updated.

The following updates to the handbook will be valid for case numbers assigned on or before June 26, 2016.

(10) Appraisal Delivery - Electronic Appraisal Delivery Portal

(a) Definition

The Electronic Appraisal Delivery (EAD) portal is a web-based platform where mortgagees or their designated third-party service providers electronically deliver FHA Single Family appraisal reports prior to endorsement.

(b) Standard

Mortgagees or their designated third-party service providers may deliver appraisals through the EAD portal or continue delivery in accordance with the [Post Closing and Endorsement Process](#) of this Handbook. The delivery of appraisals through the EAD portal may begin as soon as the Mortgagee receives access credentials and validates that they are ready to use the new technology.

(c) Required Documentation

Appraisals submitted through the EAD are the appraisal of record for endorsement.

II. ORIGATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

7. Post-Closing and Endorsement (to be inserted at current page 302)

(C) Uniform Case Binder Stacking Order

The mortgagee must ensure that all required documents, as applicable, are arranged in the stacking order chart below:

Left Side	
Appraisal and Related Documents	
Conditional Commitment Direct Endorsement Statement of Appraised Value	HUD-92800.B
Compliance Inspection Report	HUD-92051
Mortgagee Assurance of Completion	HUD-92300
Appraisal Update or Completion Report (Not required for appraisals submitted through the Electronic Appraisal Delivery Portal (EAD))	Fannie Mae form 1004D
Appraisal Report, including all attachments and endorsements (<i>Uniform Residential Appraisal Report, Individual Condominium Unit Appraisal Report, Manufactured Homes Appraisal Report, or Small Residential Income Property Appraisal Report</i>) (Not required for appraisals submitted through the Electronic Appraisal Delivery Portal (EAD))	Fannie Mae Form 1004 Fannie Mae Form 1073 Fannie Mae Form 1004C Fannie Mae Form 1025
Life of Loan Flood Certification	
Evidence of Flood Insurance (required if property is in flood zone A or V.)	
Evidence of hazard insurance	
Wood Destroying Insect Infestation Report or state mandated report	NPMA-33
Waivers – Property specific issued by HOC	
Borrower's Contract with Respect to Hotel and Transient Use of Property	HUD-92561
New Construction Exhibits (for all properties built or proposed in the last 12 months)	
Builder's Certification	HUD-92541
Warranty of Completion of Construction	HUD-92544
Certificate of Occupancy and Building Permit	
10 Year Warranty Plan Coverage and Final Inspection	
Early Start Letter & 3 FHA Inspections	
Local Health Authority Approval for Individual Water and Sewer Systems	
Subterranean Termite Protection Builder's Guarantee	NPMA-99A
New Construction Subterranean Termite Service Record	NPMA-99B
LOMR, LOMA, Elevation Certificate	

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

1. Origination/Processing (to be inserted at current page 86)

The mortgagee may use an update of appraisal only if:

- it is performed by the FHA appraiser who performed the original appraisal; and
- the appraiser is on the current FHA Appraiser Roster;
- the update is performed by the same appraiser who performed the original appraisal; and
- the update is performed by the same appraiser who performed the original appraisal; and
- the update is performed by the same appraiser who performed the original appraisal; and
- the original appraisal report was not previously updated.

The following updates to the handbook will be valid for case numbers assigned on or after June 27, 2016.

(10) Appraisal Delivery - Electronic Appraisal Delivery Portal

(a) Definition

The Electronic Appraisal Delivery (EAD) portal is a web-based platform where mortgagees or their designated third-party service providers electronically deliver FHA appraisal reports prior to endorsement.

(b) Standard

Mortgagees or their designated third-party service providers must deliver appraisals through the EAD portal.

(c) Required Documentation

Appraisals submitted through the EAD portal will become the appraisal of record for endorsement.

II. ORIGATION THROUGH POST-CLOSING/ENDORSEMENT

A. Title II Insured Housing Programs Forward Mortgages

7. Post-Closing and Endorsement (to be inserted at current page 302)

(C) Uniform Case Binder Stacking Order

The mortgagee must ensure that all required documents, as applicable, are arranged in the stacking order table below.

All appraisals must be submitted through FHA's EAD portal prior to endorsement. Complete instructions and data delivery format requirements for each appraisal form are found in the [Appraisal Report and Data Delivery Guide](#).

Left Side	
Appraisal and Related Documents	
Conditional Commitment Direct Endorsement Statement of Appraised Value	HUD-92800.B
Compliance Inspection Report	HUD-92051
Mortgagee Assurance of Completion	HUD-92300
Life of Loan Flood Certification	
Evidence of Flood Insurance (required if property is in flood zone A or V.)	
Evidence of hazard insurance	
Wood Destroying Insect Infestation Report or state mandated report	NPMA-33
Waivers – Property specific issued by HOC	
Borrower's Contract with Respect to Hotel and Transient Use of Property	HUD-92561
New Construction Exhibits (for all properties built or proposed in the last 12 months)	
Builder's Certification	HUD-92541
Warranty of Completion of Construction	HUD-92544
Certificate of Occupancy and Building Permit	
10 Year Warranty Plan Coverage and Final Inspection	
Early Start Letter & 3 FHA Inspections	
Local Health Authority Approval for Individual Water and Sewer Systems	
Subterranean Termite Protection Builder's Guarantee	NPMA-99A
New Construction Subterranean Termite Service Record	NPMA-99B
LOMR, LOMA, Elevation Certificate	

II. ORIGINATION THROUGH POST-CLOSING/ENDORSEMENT

B. Appraiser and Property Requirements for Title II Forward and Reverse Mortgages

7. General Appraiser Requirements (to be inserted at current page 422)

3. Acceptable Appraisal Reporting Forms and Protocols

FHA only accepts appraisals in the Mortgage Information Standards Maintenance Organization (MISMO) 2.6 with embedded PDF format, as created directly by the appraiser (first generation). FHA does not accept private or proprietary data formats or appraisal reports that have been manipulated or “translated” by anyone or any process.

The Appraiser must complete the [Fannie Mae Form 1004 MC/Freddie Mac Form 71](#), *Market Conditions Addendum to the Appraisal Report*, for every appraisal. Other forms to be used in the completion of an FHA appraisal are as follows:

Property/Assignment Type	Acceptable Reporting Form
Single Family, Detached, Attached or Semi-Detached Residential Property	Fannie Mae Form 1004 / Freddie Mac Form 70 , <i>Uniform Residential Appraisal Report (URAR)</i> ; Mortgage Industry Standards Maintenance Organization (MISMO) 2.6 Government-Sponsored Enterprise (GSE) format
Single Unit Condominium	Fannie Mae Form 1073 / Freddie Mac Form 465 , <i>Individual Condominium Unit Appraisal Report</i> ; MISMO 2.6 GSE format
Manufactured (HUD Code) Housing	Fannie Mae Form 1004C / Freddie Mac Form 70B , <i>Manufactured Home Appraisal Report</i> ; MISMO 2.6 Errata 1 format
Small Residential Income Properties (Two to Four Units)	Fannie Mae Form 1025 / Freddie Mac Form 72 , <i>Small Residential Income Property Appraisal Report</i> ; MISMO 2.6 Errata 1 format

FHA Single Family Housing Policy Handbook

Glossary (to be inserted at current page 8)

Early Start Letter

Early Start Letter refers to the document issued by the Mortgagee in response to a builder's request to start construction before the appraisal is completed.

Easement

An Easement refers to an interest in land owned by another person, consisting of the right to use or control the land, or an area above or below it, for a specific limited purpose.

Economic Event

Economic Event refers to any occurrence beyond the Borrower's control that results in loss of employment, loss of income, or a combination of both, which causes a reduction in the Borrower's household income of 20 percent or more for a period of at least six months.

Effective Income

Effective Income refers to income that may be used to qualify a Borrower for a Mortgage.

Electronic Appraisal Delivery

The Electronic Appraisal Delivery (EAD) portal is a web-based platform where mortgagees or their designated third-party service providers electronically deliver FHA appraisal reports prior to endorsement.

Eligible Contractor

Eligible Contractor refers to a contractor that meets all state and local licensing requirements and, if applicable, federal certification requirements.

Employer Assistance

Employer Assistance refers to benefits provided by an employer to relocate the Borrower or assist in the Borrower's housing purchase, including closing costs, Mortgage Insurance Premiums, or any portion of the Minimum Required Investment.

Employer Housing Subsidy

Employer Housing Subsidy refers to employer-provided mortgage assistance.

Employment Authorization Document

Employment Authorization Document refers to the form provided by the U.S. Citizenship and Immigration Services (USCIS) that proves an individual is allowed to work in the United States for a specific period of time.

Employment Income

Employment Income refers to income received as an employee of a business that is reported on IRS Form W-2.